



Memorandum

TO: Michigan Legislators
FROM: Tony Daunt – Executive Director
DATE: June 14, 2017
RE: Opposition to Senate Bills 242-244

The Michigan Freedom Fund fully supports lower taxes and allowing Michigan taxpayers – including employers – to keep more of what they earn. We recognize and applaud the work that Governor Snyder and the legislature have done to clean up the mess from the previous administration's "Lost Decade."

Michigan's own recent history demonstrates that the best way to attract new employers and encourage existing employers to invest and grow is to cut taxes across the board, and to treat every Michigan business equally.

Senate Bills 242-244 do not accomplish that goal. In fact, they don't even try.

Unfortunately, these bills are another tired example of the government picking winners and losers, using one-off benefits that Governor Snyder himself called the "heroin drip of government." Lansing must not return to that disastrous habit.

As we've seen over the past 18 months, from the Switch Data Center incentive package that became law in late 2015, to the more recent MiThrive package earlier this year, once you take "just one last hit," it's not long before you're controlled by the addiction and willing to justify many more.

That's why we strongly oppose Senate Bills 242, 243, and 244, a package of legislation currently before the House Tax Policy Committee that would remake Michigan's tax policy to reward big, out-of-state employers at the expense of local small businesses and the job makers already driving Michigan's economy.

If it is the belief of the Governor and the legislature that Michigan tax rates currently prevent prospective employers from moving, investing, or expanding in Michigan, we strongly encourage lawmakers to tackle comprehensive tax reform that lowers the rates for every employer, not just today's political favorites.

For eight years, Governor Jennifer Granholm and her allies in the legislature pursued a disastrous economic policy of picking winners and losers. Time and again, they created special deals and targeted legislation to lure favored industries and specific employers into Michigan, with the promise of unique tax breaks. These policies routinely failed to create jobs, creating instead an unstable budget outlook making broad-based tax relief for job creators and individuals much more difficult.

Further, this approach allows government bureaucracies like the Michigan Economic Development Corporation, and politically connected business interests, to abuse their discretion and go around the legislature when they don't get their way.

For these reasons and more, we urge you to vote no on Senate Bills 242-244.